

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 00112 170904Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----170906Z 063254 /21

P R 170747Z JAN 77  
FM USLO PEKING  
TO SECSTATE WASHDC PRIORITY 7091  
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 112

EXDIS

E.O.11652: GDS  
TAGS: EFIN CH US  
SUBJECT: CLAIMS AND ASSETS

REF: (A) PEKING 100; (B) PEKING 107

1. DAVID ROCKEFELLER HAS TOLD ME THAT IN CALLS JANUARY 13 AND 14 HE RAISED THE CLAIMS AND ASSETS ISSUE WITH CHIAO PEI-HSIN OF THE BANK OF CHINA AND LI CHUAN OF THE CCPIT. BOTH TOLD HIM SETTLEMENT OF FROZEN ASSETS-PRIVATE CLAIMS ISSUE WAS NOT TIED TO NORMALIZATION OF RELATIONS AND THAT PROGRESS ON THAT ISSUE WAS UP TO THE UNITED STATES.

2. AT LUNCH WITH FOREIGN MINISTER HUANG HUA JANUARY 14, ROCKEFELLER TOLD HUANG THAT HE HAD BEEN ENCOURAGED BY HIS CONVERSATIONS WITH THE BANK OF CHINA AND CCPIT, AND ASKED IF THE PRC WERE READY TO MOVE AHEAD ON CLAIMS AND ASSETS. HUANG REPLIED THAT HE WAS NOT TOO FAMILIAR WITH THESE NEGOTIATIONS, AND SUGGESTED THAT ROCKEFELLER READ THE RECORD AT THE STATE DEPARTMENT. HIS RECOLLECTION, HOWEVER, WAS THAT FURTHER PROGRESS WAS ENTIRELY UP TO THE UNITED STATES. HE ADDED TO ME THAT HE BELIEVED THAT THE ISSUE HAD BEEN DISCUSSED WITH SECRETARY KISSINGER IN 1973. I SAID THAT THIS WAS TRUE, AND THAT HABIB AND  
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LIN PING HAD DISCUSSED IT IN OCTOBER 1975. NANCY TANG SAID THAT WAS CORRECT. I THEN SAID THAT THERE WAS SOME IMPRESSION THAT THERE COULD BE NO MOVEMENT ON THE CLAIMS AND ASSETS QUESTION UNTIL AFTER THE NORMALIZATION OF RELATIONS AND FOR THIS REASON I HAD NOT DISCUSSED THE QUESTION BEFORE. NANCY TANG STATED THAT THE PRC HAD NEVER SAID THAT THE ISSUE WAS CONTINGENT ON

NORMALIZATION AND HUANG HUA CONCURRED.

3. ROCKEFELLER'S SHORT DISCUSSION OF CLAIMS AND ASSETS WITH VICE PREMIER LI HSIEN-NIEN CONFIRMED WHAT HAD BEEN SAID IN THE MEETING WITH HUANG HUA. LI ADDED, HOWEVER, THAT "THE DEVELOPMENT OF TRADE WILL NOT BE DECIDED BY THIS ISSUE ALONE."

4. COMMENT. THE PRC'S APPARENT WILLINGNESS TO MOVE AHEAD ON THIS ISSUE AT THIS TIME DOES NOT MEAN THAT ITS POSITION HAD SOFTENED ON THE REAL ISSUES ON CLAIMS AND ASSETS. I THINK, HOWEVER, THAT IT WOULD BE USEFUL TO REEXAMINE THE US POSITION ON CLAIMS AND ASSETS WITH A VIEW TOWARD REOPENING NEGOTIATIONS. SOME NEW MOMENTUM IN OUR RELATIONS WITH THE PRC WOULD BE VALUABLE TO THE CARTER ADMINISTRATION AND THIS LOOKS LIKE AN OPPORTUNITY TO BEGIN TALKING.  
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## Message Attributes

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**Disposition Comment:** 25 YEAR REVIEW  
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**Review Markings:**  
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